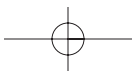
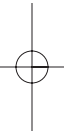
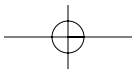
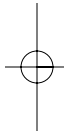
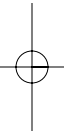
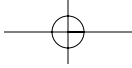


1

# The Case for Co-Leaders





## 1

# The Case for Co-Leaders

*If a man aspires to the highest place, it is no dishonor to him to halt at the second.*

—CICERO

An overseas visitor to our shores recently remarked: “If beings from another planet were attempting to learn about working in the United States by reading business magazines, they would have to assume that everyone in America is either a CEO or about to become one.”

The point is well taken. Ours is a culture obsessed with celebrity, and so we have made superstars of Bill Gates and other fascinating leaders, just as we have made legends of favored rock stars and screen actors. Nevertheless, even as we read yet another article that implies that Microsoft *is* Bill Gates, we know better. We know that every successful organization has, at its heart, a cadre of *co-leaders*—key players who do the work, even if they receive little of the glory.

Take Microsoft’s Steve Ballmer. According to insiders much of the software giant’s unprecedented success is due to Ballmer, its relatively unknown second in command. Ballmer is Microsoft’s president and top tactician, the person responsible for everything from getting the first Windows operating system shipped to keeping the company supplied with top-notch personnel. Although the average person hears his name and wonders “Steve who?” Ballmer has created Microsoft as surely as has his more famous boss.

“Microsoft could lose Bill Gates,” former staffer Adrian King told *Forbes*, “but it could not survive without Steve’s sheer will to succeed. That’s what makes the company unique.”

This book reflects our conviction that you must look beyond the Bill Gateses of the world to understand what will make organizations succeed in the new millennium. In this first comprehensive study of co-leaders and their often quiet power, we challenge the time-honored notion that all great institutions are the lengthened shadows of a Great Man or Woman. It is a fallacy that dies hard. But if you believe, as we do, that the genius of our age is truly collaborative, you must abandon the notion that the credit for any significant achievement is solely attributable to the person at the top. We have long worshiped the imperial leader at the cost of ignoring the countless other contributors to any worthwhile enterprise. In our hearts we know that the world is more complex than ever and that we need teams of talent—leaders and co-leaders working together—to get important things done. The old corporate monotheism is finally giving way to a more realistic view that acknowledges leaders not as organizational gods but as the first among many contributors. In this new view of the organization, co-leaders finally come into their own and begin to receive the credit they so richly deserve.

Gates and Ballmer exemplify a relatively new type of alliance between a leader and his or her chief ally. In this scenario, so typical of Silicon Valley, the No. 1 and No. 2 associates seem more like buddies, or at least peers, than boss and subordinate. This new egalitarianism reflects a dramatic change in organizational life today. In Henry Ford's corporate America, the person at the top held all the power. He, and it was almost always a he, owned the company and all its assets. The workers were hired hands.

But on the cusp of the year 2000, economics is based on a very different reality. Microsoft and other high-tech companies are in the business of ideas. Good ideas belong, initially at least, to whoever has them, not to the company or the boss. Superior ideas can come from anyone in the organization, and they empower the people who have them, whether their business card says CEO or intern. If Microsoft is not a true meritocracy, it is nonetheless a company in which talent is valued and courted. Talent always has the power to walk (especially if, as in the case of Ballmer, the talent already has roughly \$12 billion worth of Microsoft stock in its pocket). In such an environment, no chief executive would risk losing a key player by demanding unquestioning obedience or any of the other outdated hallmarks of the

rigidly hierarchical corporation of yesterday. This new egalitarianism isn't just a matter of style. It's a question of survival. In the new climate, every leader knows that the organization's best minds will take major assets with them should they walk out the door.

## Co-Leadership Defined

*Co-leadership* is not a fuzzy-minded buzzword designed to make non-CEOs feel better about themselves and their workplaces. Rather it is a tough-minded strategy that will unleash the hidden talent in any enterprise. Above all co-leadership is inclusive, not exclusive. It celebrates those who do the real work, not just a few charismatic leaders, often isolated, who are regally compensated for articulating the organization's vision.

Although several leading companies from Citigroup to Daimler-Chrysler have restyled themselves around coequal CEOs, co-leadership should permeate *every* organization at *every* level. There are vivid demonstrations of successful power sharing from the Halls of Montezuma to the Hills of Silicon Valley. For example, the United States Marine Corps, with its fiercely proud tradition of excellence in combat, its hallowed rituals, and its unbending code of honor, personifies co-leadership. Despite its rigid command-and-control structure, the Corps' enduring culture screams togetherness: *Semper fi*. *Esprit de corps*. The few, the proud.

Such inclusive notions of leadership are not new. The Marines have been practicing their special brand of *esprit* for more than 220 years. But what is new are the changed realities of the twenty-first century. In a world of increasing interdependence and ceaseless technological change, even the greatest of Great Men or Women simply can't get the job done alone. As a result, we need to rethink our most basic concepts of leadership.

The prevailing winds blow in the direction of close-knit partnerships throughout the organization. In this new organizational galaxy, power doesn't reside in a single person or corner office. Rather power and responsibility are dispersed, giving the enterprise a whole constellation of costars—co-leaders with shared values and aspirations, all of whom work together toward common goals. As we look back at what we discovered in writing this book, one realization towers above

all others: *Anyone* can be a co-leader—all he or she needs is talent and an organization that values and rewards co-leadership.

In researching this book, we spent five years scrutinizing dozens of gifted co-leaders, analyzing how they contributed to the greatness of their organizations. We studied how they related to the people above and below them and how they viewed the costs and rewards of being a costar. Because we believe personal stories are a lively, effective way to get important points across, we chose to make the case for co-leadership by telling the stories of a dozen outstanding adjuncts, from General George C. Marshall to Merrill Lynch's visionary Win Smith. Other co-leaders profiled range from Anne Sullivan Macy, Helen Keller's brilliant and devoted teacher, to legendary auto executive Bob Lutz.

*Co-Leaders*, then, is about truly exceptional deputies—extremely talented and dedicated men and women, often more capable than their more highly acclaimed superiors. No one illustrates this better than George Catlett Marshall. As important to his country as George Washington, Marshall brought unprecedented stature to a supporting role. With World War II looming, he rebuilt the United States Army despite extraordinary initial resistance. The architect of the Marshall Plan, he was President Truman's steady right hand as secretary of state and later secretary of defense. The first soldier to win the Nobel Peace Prize in peacetime, he was also a hero to the captains of his era. Truman, Eisenhower, and Churchill all said he was the greatest man they had ever known.

Routinely called on to do the work and forgo the credit, great partners sometimes have character where more celebrated leaders have only flash. Marshall is, again, the model. In retirement he turned down million-dollar offers to write his memoirs because he felt his reminiscences might trouble some of the people in his remarkable past. Such principled restraint is hard to imagine today when no tell-all memoir seems to go unwritten.

Again and again, *Co-Leaders* illustrates how the once yawning gap between the person at the top and the rest of the organization is closing because of rapid changes in the workplace and, indeed, the world. Although as a culture we continue to be mesmerized by celebrity and preoccupied with being No. 1, the roles of top executives are converging, the line between them increasingly blurred.

Called on to make more and more complex decisions more and more quickly, even the most daVincian CEOs acknowledge that they can't do everything themselves. Farsighted corporations and other organizations require their leaders to do more than put effective systems in place. Future-oriented enterprises have to be able to spot the Next Big Thing and respond to it before the competition. Such organizations are like organisms, constantly adapting to shifts in the global environment. As a result, the CEO's job doesn't get easier the longer he or she is in place; it typically gets even more demanding.

In 1997 famously capable Intel chairman Andy Grove, beset by lawsuits, a bout with prostate cancer, a flaw in Intel's Pentium Pro chips, and a dip in second-quarter earnings, admitted that he was on the verge of being overwhelmed. "I don't think I've ever worked as hard," he told *Fortune*. "I've been feeling very sorry for myself the past six months. Things are running at borderline out of control inside the company and out. . . . I go home spent."

In such an environment, first-rate co-leaders are a necessity, not a luxury. In May 1998 Grove chose as his successor Craig Barrett, Intel's superbly fit chief operating officer (COO) and the person responsible for perfecting the chip maker's manufacturing processes. Grove was the first to praise Barrett for having done the operations job at Intel far better than he. And why shouldn't Grove seek a successor of Barrett's caliber? When you know you are going to be facing challenges at every turn, you want the best there is at your side.

Once a sinecure, the corner office has become a revolving door, as boards and shareholders become ever more demanding of CEOs. Increasingly, heading an important organization in America is like being one of the kings in ancient Crete who had extraordinary power and access to every perk and pleasure—but only for a time. After his year of absolute power, the king was put to death. For contemporary CEOs the pay and the perks are unbeatable while they are in office, but they can't count on being in office for long. As the tenure of the average chief executive becomes shorter and shorter, the need for depth of leadership becomes even more crucial.

The untimely death in 1997 of Coca-Cola Enterprises, Inc. CEO Roberto Goizueta reminded the world that no complex organization can afford to rely too heavily on a single leader, however gifted and charismatic. Coke never stumbled in the days following Goizueta's

death, largely because he had already groomed an able successor, M. Douglas Ivester, whom Goizueta had long referred to as “my partner.” The company’s major divisions were already reporting to Ivester, now CEO, when the Cuban-born chief became ill. The late chairman had also nurtured a dozen more key players under Ivester, who in turn had talented protégés of his own. In famed investor Warren Buffett’s view, Goizueta’s “greatest legacy is the way he so carefully selected and then nurtured the future leadership of the company.”

Ivester has already gone far toward instituting a co-leadership culture at Coke. *Fortune* magazine’s Betsy Morris recently described the atmosphere under Ivester: “Hierarchy is out—it slows everything down; he communicates freely with people at all levels. The conventional desk job is also out. Ivester prefers that employees think of themselves as knowledge workers—their office is the information they carry around with them, supported by technology that allows them to work anywhere. . . . A CEO on a pedestal is definitely out; a CEO as platoon leader is in.” Ivester knows that co-leadership is a strategy for unleashing talent throughout the organization. Much more than rhetoric about teamwork, co-leadership is a commitment to partnering at every level, to serve the constantly changing needs of the organization. Yet even someone as committed to co-leadership as Ivester may be reluctant to share *all* his or her power. Ivester works closely with a team of 14 vice presidents but has not yet been willing to name a successor.

Contrast, too, China’s smooth leadership transition with the sorry state of Russia, Cuba, and Malaysia. Deng Xiaoping’s death quickly surfaced two talented co-leaders: President Jiang Zemin and Premier Zhu Rongji. Yet Russia, with ailing Boris Yeltsin acting more like a tsar than the country’s first democratically elected president, desperately needs a succession plan. So, too, do autocratic Cuba and Malaysia.

Increasingly, corporations, countries, and other entities are realizing that top leaders and their co-leaders are not different orders of beings but essential complements: All are needed if the enterprise is to flourish. As college basketball’s North Carolina Tar Heels were reminded in 1997, success, continuity, and survival depend on having a Bill Guthridge on board as well as a Dean Smith. Like athletic teams, all organizations need the bench strength, or deep leadership, provided by great co-leaders.

## Paths to Co-Leadership

In the course of studying outstanding lieutenants, we were constantly reminded that co-leadership is a *role*, not an identity and certainly not a destiny. There is no single personality type that consigns people to careers in a supporting role rather than a starring one (indeed most CEOs and other leaders have done both). True, some strong-willed individuals must run their own shows. It's hard—almost impossible actually—to imagine Donald Trump, George Steinbrenner, or Leona Helmsley finding happiness in the trenches. But they are the exceptions.

Because all leadership is situational, we are leery about categorizing co-leaders. The social world isn't nearly as orderly as the physical world. People—unlike solids, fluids, and gases—are anything but uniform and predictable. As you will see, the co-leaders described in these pages have distinguished themselves in very different fields of endeavor: Amy Tucker coaches women's basketball at Stanford, while Merrill Lynch's Win Smith helped democratize the ownership of stocks and bonds, perhaps the most important change in the U.S. economy in 50 years. And each of these great partners had or has a distinctive, often colorful personality. But in the course of our research, we found that, however they differed, each had taken one of three distinctive career paths to successful co-leadership. Each was either a fast-tracker, a back-tracker, or an on-tracker.

- *Fast-trackers* are deputies on the way up. For presidential hopeful Al Gore and others, co-leadership is a rite of passage. Indeed being No. 2 is a time-honored way to become top dog. According to a recent survey, 86 percent of the heads of Fortune 500 companies were previous seconds in command.

Upwardly mobile lieutenants understand that the route to the corner office is paved with achievement, loyalty, and luck. Savvy deputies also appreciate firsthand the need for superior bench strength. Fast-trackers tend to be good at what psychologist Erik Erikson terms “being generative”—that is, building their own cadre of talented lieutenants. Such co-leaders often understand, in the most visceral of ways, the value of sharing power.

- *Back-trackers* are former chiefs who have downshifted. One of history's most notable examples is Chou En-lai, who voluntarily relinquished command of the Red Army to a gifted junior officer, Mao Tse-tung. More recently, as few would have predicted, colorful cable pioneer Ted Turner seems to have found happiness as a vice chairman at Time Warner.

Some back-trackers disdain elements of the No. 1 role: deal making, strategizing, schmoozing with different interest groups, and the like. Some find the pressure and lack of privacy at the top to be major negatives. Others want to avoid the nerve-rattling revolving-door syndrome of today's executive suite. Generally speaking, these talented men and women find greater peace being the quiet power behind the throne.

- *On-trackers* are outstanding adjuncts who either didn't want the top slot or weren't promoted into it. These people find ways to prosper as supporting players. Passed over for CEO of Chrysler, Bob Lutz called his stint as second in command "absolutely the best period in my whole career." On-trackers have the ego strength to be a costar. If they are offered top billing, they will probably take it, as Harry Truman did a half century ago and as Bill Guthridge did at North Carolina in 1997. But they are also comfortable remaining part of a vibrant team of leaders.

Whatever their route to co-leadership, successful costars are consummate team players and, thus, valuable models for everyone interested in effective collaboration. Usually servant-leaders, they tend to be self-reliant, yet committed to organizational goals. Outstanding co-leaders "see themselves—except in terms of line responsibility—as the equals of the leaders they follow," says Professor Robert E. Kelley of Carnegie Mellon University. "They are more apt to disagree with leadership and are less likely to be intimidated by hierarchy and organizational structure."

We have excluded any discussion of unsuccessful partners, or off-trackers. These are people whose careers have derailed. Whereas fast-trackers are on the way up, these poor souls are on the way out.

What motivates great co-leaders? Why, in particular, are they willing to subordinate their egos, a sacrifice that seems all the more

remarkable in an age that celebrates the star? We found three main reasons, which led us to classify co-leaders as follows:

1. *Crusaders*, like General George C. Marshall, who serve a noble cause
2. *Confederates*, such as Bob Lutz and Stanford assistant coach Amy Tucker, who serve an exceptional organization or enterprise
3. *Consorts*, like Helen Keller's teacher, Anne Sullivan Macy, and Win Smith of Merrill Lynch, who serve an extraordinary person.

Of course, there is some overlap among categories. George Marshall as *crusader* was driven by the cause of freedom and world peace. Yet he was also a staunch *confederate* of the U.S. military establishment (the army, in particular) as well as a loyal *consort* to his mentor, "Black Jack" Pershing, and later to presidents Roosevelt and Truman. At different stages in Marshall's life, these loyalties enabled him to find satisfaction in a supporting role.

## Critical Factors for Success

To be a successful co-leader, you need, above all, a champion who will allow you to succeed. Not every top gun is able to do that. Contrast Bob Lutz's success at Chrysler, thanks to the genuine partnership he had with CEO Robert Eaton, with Lutz's unhappiness at the auto giant when then CEO Lee Iacocca often undermined him. Great co-leaders are often born when leaders decide to do the one thing that most often distinguishes a great organization from a mediocre one—hire people who are as good or better than they are. As reserved as Lutz is flamboyant, Bob Eaton was perfectly comfortable with a partner who piloted his own jet fighter and who was a darling of the press. For Lutz's part, he long ago came to terms with being passed over for Chrysler's top job and found real happiness as Eaton's partner in everything but name. Indeed Lutz believes Eaton's willingness to share power was key to Chrysler's success. If Lutz had been made CEO in 1992, he said: "I would have had to have done it alone."

The ability to subordinate ego to attain a common goal is something both leaders and co-leaders need. Stephen Kahng built Power Computing Corp. into what *Business Week* described as the "fastest-growing computer startup of the 1990s." One of the industry's most

respected technical experts, Kahng is also so nerdy and soft-spoken that his own staffers needle him about it. Knowing that he needed someone with different skills and a personality very different from his own to market the company's Apple clones and capture a greater share of the PC market, Kahng went after Joel Kocher, author of the winning marketing strategy, including direct sales, at Dell Computer Corp. Now Power Computing's president and COO, the exuberant Kocher is the antithesis of Kahng—in everything but their shared vision of market domination. Kocher is head cheerleader as well as marketing strategist, fond of such stunts as having Power Computing's staff wear camouflage fatigues every Friday on Fight Back for the Customer Day. A colleague of Kocher's at Dell told *Business Week* that he "demands, inspires, attracts, and coaches greatness"—the sort of description most people associate with CEO, not second in command. But Kahng had the wisdom and confidence to hire his complement, where a lesser leader might have been put off by Kocher's stronger charisma.

True leaders also know that the only deputies worth hiring are the ones good enough to replace them. And for their part outstanding co-leaders know that they don't have to be at the top of the organizational chart to find satisfaction—that exercising one's gifts and serving a worthy cause are far more reliable sources of satisfaction than the title on one's office door. Such people have acquired the rare ability to distinguish between celebrity and success. As that unlikely philosopher, the late Erma Bombeck, once wrote, "Don't confuse fame with success. Madonna is one, Helen Keller is the other."

Courage is one of the attributes of all great co-leaders, and one we rarely associate with that role. Deputies have to be able to speak truth to power, even when it hurts. (Real leaders demand honesty from their adjuncts, knowing that good information, even when it's unpleasant, is the basis of good decision making.) It was young George Marshall's courage in publicly correcting General Pershing that caught Pershing's eye and launched Marshall's extraordinary career. And candor like his own was one of the attributes Marshall always sought in his staffers. Yes-men may feed the boss's ego, but they serve no other useful function. Indeed they guarantee that the boss's knowledge will be limited to upbeat information and whatever he or she already knows. Good co-leaders protect their bosses when possi-

ble, but good bosses are willing to endure occasional discomfiture in order to find out what they *need* to know.

Creativity is almost as important an attribute of co-leaders as courage. Deputies have to go beyond the manual to find what best serves the organization. When George Tenet was named director of the Central Intelligence Agency in 1997, his former boss, John Deutch, told an instructive story about Tenet's ability to think on his feet and act decisively.

"George is a tremendously loyal and devoted public servant," Deutch told the *Wall Street Journal*. "The time I really realized how devoted a deputy he was was in an extremely important meeting with important foreign dignitaries. He cleared the room to tell me I needed to zip up my fly."

Every chief has the right to the loyalty of his or her deputies. Working at a leader's side, a trusted co-leader is often privy to information that could seriously compromise the boss's position if it were shared. As candid as great partners are in private, they are equally discreet in public. They can keep the boss's secrets—as long as they can continue to reconcile them with their own consciences. To some extent, all No. 1s depend on an image of excellence to maintain their positions. Good co-leaders may know about personal flaws or weaknesses, but they don't feel compelled to reveal or underscore them. Especially in crises, leaders have to know that their first lieutenants will maintain the illusion of superiority, which makes leadership possible. An example of this is Vice President Al Gore's unwavering public loyalty to a bruised Clinton, despite the pressure on Gore to distance himself from the controversial president as Gore himself seeks the nation's highest office.

Co-leaders need unusually healthy egos. That's a paradox really, because it would seem that they would need less ego strength than their leaders. But, especially in a society as obsessed with winning as ours, it takes extraordinary confidence to be No. 2 or No. 3. No matter how great a contribution a great co-leader makes, the majority of the credit is going to accrue to the top individual. That's the nature of the organizational beast. To some degree it may simply reflect the extent to which leaders function as symbols of their enterprises. But the fact is that even the best deputy will exist in the shadow of the boss. Bill Guthridge deserved considerable credit for Dean Smith's

record-breaking 879 victories, but it was Smith whose name went into the record books, not the name of the man who spent 30 years as his assistant coach. As the self-effacing Guthridge told the press, "I knew my ego could take being lifetime assistant to the best coach around."

What does the organization get from a great partnership? A great many things. Two heads really are better than one when it comes to decision making. The psychological literature indicates that groups make better choices than do individuals. Last year Ford Motor's installation of the talented tandem of William Clay Ford, Jr., as nonexecutive chairman and Jacques Nasser as president and CEO was a ringing endorsement of co-leadership. "One of the nice things about this arrangement is that it does use the strength of two capable people," Ford told the *New York Times*. "Having watched how large this company has become, and how tough it is to manage, I think separating these jobs makes a lot of sense."

A first-rate deputy like Nasser can serve as an alternative model for the rest of the organization, one that other co-leaders may relate to more easily than to the person at the top. A great second can serve as institutional insurance in that he or she can quickly get up to speed to replace the person at the top. This is, tragically, one of the roles American vice presidents have had to play when presidents have died in office, and it is the role by which most people measure the vice president. Truman, whom as vice president FDR had kept in the dark about many important issues, including the development of the atomic bomb, proved surprisingly able in the nation's top job. The very thought of Dan Quayle succeeding George Bush so frightened many voters that it became a factor in Bush's failure to win a second term in office.

But their apparent is just one of the many roles co-leaders play. Great partners may have strengths and skills that the boss lacks. The costar can compensate or complement. William Clark had superior cartographic abilities to Meriwether Lewis, for instance, that proved invaluable to the Corps of Discovery. Co-leaders can share the burden of leadership and lighten the workload. They routinely act as facilitators for their superiors. They almost always serve as advisers as well, at best providing the kind of candid, informed counsel that every leader needs. They are often conduits of critical information

from elsewhere in the organization to the person in charge, and vice versa. They can also serve as sounding boards, counselors, confessors, and pressure valves. In bad times they may serve as lightning rods, even scapegoats. In the best of all possible organizations, they are genuine partners, though not necessarily equal ones, sharing responsibilities with the chief according to their individual skills and interests. Before Dean Smith's retirement in 1997, Bill Guthridge was responsible for the individual coaching at North Carolina, while Smith determined overall strategy—with Guthridge's quiet assistance. In the highly collaborative Clinton White House, Gore assumed major policy-shaping responsibility for several areas of national and international concern, including national security, environment, and technology.

### **Just Rewards**

Although service is the paradigmatic responsibility of co-leaders, there comes a time in everyone's career when he or she asks, "What's in it for me?" Although co-leaders usually lack the name recognition and enormous salaries of CEOs and others at the very top, there are rewards in being No. 2 or No. 3.

For starters serving under someone else can be a marvelous education. As a young deputy to Pershing, Marshall attended a superb military college of one, where he was able to study a first-rate soldier in the flesh, day in and day out. Vice President Gore has been in a unique position to study President Clinton during his two terms in office. What better curriculum for a presidential hopeful than the chance to see how the incumbent handles the duties and pressures of the nation's highest office? Clinton himself stumbled badly in his first months in office as he learned on the job. Six years later came the infamous Monica Lewinsky affair. How much better for Gore to be able to learn from someone else's mistakes—and successes—before assuming that demanding office?

Some of the greatest rewards of co-leadership grow out of the relationship with the person at the top. Some co-leaders have warm, sustaining relationships with the people they serve, as Win Smith had with Merrill Lynch cofounder Charlie Merrill. Merrill was a demanding taskmaster, but a superb mentor, and, over the decades, he

and Smith became closer than many fathers and sons. Some of the letters they exchanged after illness forced Merrill into semiretirement are as tender as love letters. Accomplishing something together can forge a lasting bond. As profoundly troubled as Meriwether Lewis was, he and William Clark became close friends in the course of their epic journey and remained so afterward: Clark and his wife even moved into Lewis's house for a time.

The relationships that develop in executive offices are enormously varied. Some CEOs and COOs have healthy rivalries that energize both of them. Others have the professional equivalent of bad marriages that distract and drain them. Camaraderie grounded in shared accomplishment is one of the pleasures of any happy workplace, and it can be especially gratifying for the people who are most involved in setting the agenda and steering the enterprise.

Another frequent source of satisfaction for co-leaders is the opportunity to revel in interesting work and the pleasures of craft. CEOs often barter power and responsibility for truly engaging work. It can be hectic at the top, especially on days when one meeting follows another and even meals involve professional obligations. Many contented alter egos have talent or expertise that they are able to exercise undistracted by the top person's daunting calendar and sometimes tedious responsibilities. Amy Tucker seems to have found joy in her craft as associate head coach of the women's basketball team at Stanford, despite having tasted triumph as interim head coach. Bob Lutz was happy at Chrysler as the hands-on creator of such eye-catching vehicles as the Dodge Viper, Plymouth Prowler, and Jeep Grand Cherokee. Successful co-leaders, especially those who have decided to remain No. 2, have often concluded that what they actually do is more important than making headlines.

As we shall see, some co-leaders find enormous satisfaction in serving a cause they believe in. Certainly Marshall is a superb example of someone who devoted his entire career to serving his country and indeed the world at large. For others, their work has many of the qualities of a religious vocation, and self-sacrifice is a price they are willing to pay. Born into island royalty, Bernice Pauahi Bishop believed that education could save her beloved fellow Hawaiians and devoted much of her life to creating the Kamehameha Schools. Eschewing the Hawaiian crown, she found another way to improve

the condition of her people. As one observer said: "Refusing to rule her people, she did what was better, she served them."

Sometimes redefining power reflects a decision that there are more important things in life than other trappings of success. Princess Pauahi refused the crown because she believed accepting it would destroy her happy marriage to Charles Reed Bishop, who favored Hawaii's annexation by the United States. Amy Tucker is regularly offered head coaching jobs, especially now that women's basketball is booming, but she doesn't want to leave Stanford, a vibrant intellectual community in scenic Northern California.

As the happy buzz at visionary companies such as Steve Jobs's Pixar Animation Studios makes clear, the most exciting work being done today is collaborative, accomplished by teams of people working toward a common goal. Often there is still a Numero Uno, at least on the organizational chart. But in the growing number of global enterprises that trade in innovation, the real power is in the hands of the men and women who have the best ideas and the most valuable skills, whatever their job titles. In the workplaces of the new millennium, one of the leader's most important roles is to retain the necessary talent and unleash it. The rise of co-leadership reflects the fact that, despite the exalted terms in which we talk about No. 1s, they can actually accomplish things only when effectively teamed with other people.

## Leadership Redefined

If we still treat some CEOs like celebrities, we are increasingly beginning to see them more as stewards than kings. No one has been more articulate on this change in our traditional view of leadership than management sage Peter Drucker, who said in praise of such non-imperial leaders as Harry Truman and GE's Jack Welch: "They both understood executives are not their own masters. They are servants of the organization—whether elected or appointed, whether the organization is a government, a government agency, a business, a hospital, a diocese. It's their duty to subordinate their likes, wishes, preferences to the welfare of the institution."

To some degree this more egalitarian understanding of leadership reflects a backlash against CEOs who earn far more than they deliver.

The surge in executive compensation in recent years has dismayed and infuriated the vast majority of people who work hard for modest pay. Thirty years ago the average chief executive in the United States earned 44 times as much as the average factory worker. According to the AFL-CIO, the ratio is now more than 300 to 1. Consequently, corporate boards as well as workers are beginning to question whether anyone deserves to make more than the budgets of some nations. Indeed Bob Eaton's \$16 million annual compensation as CEO of Chrysler horrified German shareholder activists contemplating the 1998 merger of the Detroit automaker and Daimler-Benz AG. Eaton's German counterpart, Jürgen Schrempp, receives just \$2 million a year.

Even *Business Week*, hardly a journal to foment revolution, huffed about the hubris of the chieftains of American business. "They are team leaders, not celebrities or one-man bands," the magazine editorialized. Yes, some extraordinary CEOs may deserve extraordinary compensation. "But usually, a chief executive works with a team of people who manage thousands of employees, each contributing to the success or failure of the company. A team leader requires respect to function. Making 200 times the average paycheck, simply because the market has a good year, doesn't generate respect."

That the American workplace needs to be rethought is increasingly obvious. The mounting anger over executive pay is only one piece of evidence. It is not a happy sign when the business best-seller list is topped by volumes devoted to Dilbert, the cartoon Everyworker, and the Orwellian hell in which he labors. This is organizational humor at its darkest, and one of its loudest messages is that it is time for sweeping change.

Although increasing numbers of firms are naming co-CEOs and showing other signs of embracing co-leadership, sharing power has its pitfalls. It will be interesting to see if Bob Eaton can work as comfortably with co-CEO Schrempp as Eaton once teamed with Lutz. The corner suite that houses incompatible executive peers can be an unhappy, unproductive place indeed. Boards can help keep the peace, but executive egos often make real partnerships impossible. You need only look at the vice presidency of the United States to see how hard it is for some No. 1s to share power. Even leaders who were abused as veeps had trouble treating their own vice presidents decently after

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becoming president. Truman, for example, was no better to Vice President Alben Barkley than FDR had been to him. Power is only shared by those who first choose to share it. In light of this first law of co-leadership, more and more organizations—and their governing boards—are realizing that willingness to share power is one of the criteria by which leaders must be judged.

As someone who knows both the executive experience and the subordinate one, the co-leader is a good model for a new, more egalitarian hybrid better adapted to the needs of the new millennium—people who can both command and follow, as the situation requires.

In American society the urge to be a star and the urge to achieve common goals as part of a community have always tugged us in different directions. As celebrity becomes less and less associated with genuine achievement, we need to think more clearly about what is best for our organizations and for ourselves. Great co-leaders remind us that we don't need to be captain to play on the team, that doing something we want to do and doing it well can be its own reward. That said, learning the secrets and skills of great No. 2s remains the surest path to becoming No. 1.

